MacDonald Mines Exploration Ltd.

MACDONALD MINES ANNOUNCES $1,000,000 NON-BROKERED PRIVATE PLACEMENT FINANCING

News Release
December 19, 2016

Toronto, Ontario – December 19, 2016 - MacDonald Mines Exploration Ltd. (TSX.V:BMK) ("MacDonald Mines", "MacDonald" or the "Company") is pleased to announce that it intends to offer for sale, on a non-brokered private placement basis, up to 12,125,000 "flow-through" units of the Company (the "FT Units") at a price of $0.07 per FT Unit and up to 2,520,833 non-flow-through units of the Company (the "Non-FT Units") at a price of $0.06 per Non-FT Unit for aggregate gross proceeds of up to $1,000,000 (the "Offering"). Each FT Unit will be comprised of one common share in the capital of the Company (each, a "Common Share") issued on a "flow-through" basis within the meaning of such term in the Income Tax Act (Canada), and one half (1/2) Common Share purchase warrant (each, a "FT Unit Warrant"), with each FT Unit Warrant being exercisable to acquire one non-flow-through Common Share at a price of $0.10 for a period of 36 months following the closing date of the Offering. Each Non-FT Unit will be comprised of one Common Share (issued on a non-"flow-through" basis) and one Common Share purchase warrant (each, a "Non-FT Warrant") with each Non-FT Warrant being exercisable to acquire one Common Share at a price of $0.10 for a period of 36 months following the closing date of the Offering.

The proceeds derived from the sale of the FT Units will be used for "Canadian exploration expenses" (within the meaning of the Income Tax Act (Canada)) in connection with the mineral exploration programs of the Company. The proceeds derived from the sale of the Non-FT Units will be used for payment of certain expenses of the Company. The Company will also pay finders fees equal to 9% of the gross proceeds raised by the Company to investors introduced to the Company by such finders and issue compensation options equal to 9% of the number of units sold. The compensation options will be exercisable to acquire one Class A common share of the Company for a period of five years from the date of issuance thereof. All securities sold or issued in connection with the Offering will be subject to a hold period of four months and one day from the date of issuance thereof. The Financing is subject to the TSX Venture Exchange ("TSXVE") approval.

The Company is also pleased to announce it has received conditional approval from the TSXVE for each of its recently announced property acquisition agreements:

1. the Charlevoix Silica Property located approximately 42 kilometres north of Baie-Saint-Paul, Quebec; and
2. the Wawa-Holdsworth Project near Hawk Junction, 25 kilometres northeast of Wawa, Ontario.

Final approval of the TSXVE is subject to the Corporation satisfying the conditions set out in the conditional approval letters for each of the foregoing acquisitions.

The Corporation also wishes to announce that the Charlevoix Silica Property acquisition agreement has been amended to provide that the consideration for the acquisition includes the issuance of 9,000,000 Class A common shares of the Corporation and not 10,000,000 shares as set out in the press release dated November 22, 2016.

Charlevoix Silica Property Details

The geology on the property appears to be an extension of Rogue Resources ("Rogue") Silicon Ridge Property and displays similar geology to the Sitec Silica Mine ("Sitec"), located within 15 kilometres and which has been in production for more than 50 years. Sitec produces approximately 250,000 tonnes of silica a year and has an estimated future mine life of over 20 years. Silica from the Sitec Mine is shipped to plants in Bécancour, Chicoutimi and the United States. Silica produced at Sitec is used at foundries and glass factories as well as in the production of solar panels and high-tech components.

Wawa-Holdsworth Gold and Silver Project Details

The Project is comprised of 19 contiguous patented mining claims covering approximately 304 hectares. Sixteen of these are located in the extreme southern part of Corbiere Township and the remaining three extend into the northern part of Esquega Township, in the Wawa Area of Northern Ontario.

Qualified Person

Quentin Yarie, P Geo. is the qualified person responsible for preparing, supervising and approving the scientific and technical content of this news release.

About MacDonald Mines Exploration Ltd.

MacDonald Mines Exploration Ltd. is a mineral exploration company headquartered in Toronto, Ontario, Canada. Previously focused on Copper and Zinc (VMS), and Nickel exploration in the Ring of Fire area of the James Bay Lowlands of Northern Ontario, the company continues to focus its efforts and finances on projects that demonstrate the greatest market potential for return

The Company's common shares trade on the TSX Venture Exchange under the symbol "BMK".

To learn more about MacDonald Mines, please visit www.macdonaldmines.com

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Although the Company believes that the assumptions and factors used in preparing the forward-looking information in this news release are reasonable, undue reliance should not be placed on such information, which only applies as of the date of this news release. The Company disclaims any intention or obligation to update or revise any forward-looking information, whether as a result of new information, future events or otherwise, other than as required by law.